

To: Legislative Oversight Committee (June 3, 2010)

From: Kevin Schick

Re: Statement

I received an invitation to appear before the Legislative Oversight Committee and look forward to testifying today. I have requested through my legal counsel and, as of this date, IASB has not produced my records including emails, correspondence and other documents which would assist me in providing meaningful responses to Committee inquiries. I am, however, submitting this initial statement to correct erroneous statements which have previously been reported.

RELATIONSHIP WITH IASB AND RESIGNATION

- I am not now, nor have I ever been, an employee of the Iowa Association of School Boards (IASB).
- I did work for Flynn Fitzgerald and, through that organization, provided services to the IASB from approximately April 15 through the end of October, 2009.
- I did, as an independent contractor, provide services to IASB from November 1, 2009 to January 28, 2010.
- I resigned on January 28, 2010. I was not terminated from my position.

CREDIT CARD USAGE

- I applied for a credit card and completed an application for credit for the card in the fall of 2009 while employed by Flynn Fitzgerald.
- IASB was not a cosigner on the card.
- My purpose in obtaining the card was to separate IASB business related purchases from my preexisting personal credit card.
- In late December, 2009 and early January, 2010, I was in Bora Bora for a vacation. My personal credit card had been compromised. I thus utilized the credit card I obtained in the fall of 2009 for business purposes to temporarily pay these personal expenses.
- I notified IASB Controller personally upon my return of the expenses. (Exhibit A) I provided a check to IASB in the amount of \$7,500.00 on February 5, 2010, prior to the receipt of the credit card statement. (Exhibit B) I issued a

check to IASB on February 10 for the balance of \$1,180.21. (Exhibit C) IASB did not present the check for payment.

- IASB has received a check for all other expenses even though my position is that these expenditures were office purchases for IASB.

EBAY/PAYSCHOOLS

- Payschools was a program started by IASB to process transactions online for student services.
- Local Government Services (LGS), a for-profit entity which was established by IASB, decided to market the Payschools program on a national basis.
- The Payschools program has been implemented in 40 states.
- The Payschools program grew at a rapid pace. Unfortunately, expenses associated with the program grew at an even quicker rate. The Payschools program had not returned a profit and has cost IASB over a million dollars.
- The Board determined that it would be in the best interest of the organization to sell Payschools if a buyer could be found.
- I sought to contact a number of potential buyers, including eBay, through its division known as PayPal.
- The sale of Payschools proved difficult because:
 - Payschools had not made a profit
 - The national sales director had a favorable commission contract
 - Visa was insisting upon additional fees for business done in states other than Iowa.
- Discussions with eBay through PayPal never progressed and an offer was never extended by eBay to purchase Payschools.
- Payschools, to the extent known, is still operated by IASB through LGS.

Charges		
Date	Memo	Amount
12/28/2009	COA Airline Fees	\$ 50.00
12/28/2009	COA Airline Fees	\$ 70.00
12/28/2009	Continental	\$ 297.70
12/28/2009	Continental	\$ 297.70
12/28/2009	Southwest	\$ 428.70
12/28/2009	Southwest	\$ 428.70
12/28/2009	Air Tahiti	\$ 2,154.63
12/28/2009	Air Tahiti	\$ 2,154.63
1/5/2010	St. Regis	\$ 2,798.15
Total Charges		\$ 8,680.21

Payments		
2/5/2010	Bank Check	\$ 7,500.00
2/10/2009	Check #5134	\$ 1,180.24
Total Payments		\$ 8,680.24



08485 11-24
Office AU # 1210(8)

Purchaser:
Purchaser Account:
Operator I.D.:

PAY TO THE ORDER OF

IASB

RE: KEVIN SCHICK

Seven thousand five hundred dollars and no cents

OFFICIAL CHECK

SERIAL #: 0848512512

February 05, 2010

\$7,500.00

WELLS FARGO & COMPANY ISSUER
420 MONTGOMERY STREET
SAN FRANCISCO, CA 94163
PAYABLE AT WELLS FARGO BANK, N.A.
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER-IF THIS INSTRUMENT IS LOST,
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND
REISSUANCE, WELLS FARGO & COMPANY MAY IMPOSE A
FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US \$ 7,500.00

NON-NEGOTIABLE

Purchaser Copy

FB004 M4203 09431544

PRINTED ON FINE MARK PAPER. HOLD TO LIGHT TO VIEW FOR ADDITIONAL SECURITY FEATURES. SEE BACK.

08485 11-24
Office AU # 1210(8)

Operator I.D.: nwdm1534

PAY TO THE ORDER OF

IASB

RE: KEVIN SCHICK

Seven thousand five hundred dollars and no cents

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OFFICIAL CHECK

0848512512

February 05, 2010

\$7,500.00

VOID IF OVER US \$ 7,500.00

Richard Lery
CONTROLLER

Security Features Included. Details on Back.



⑈0848512512⑈ ⑆121000248⑆4861 507127⑈

KEVIN L. SCHICK
13001 CLARK STREET
CLIVE, IA 50325

33-22/730

5134

DATE 2/10/10

PAY TO THE
ORDER OF

IASB

\$ 1,180²⁴/₁₀₀
DOLLARS ☐ Contains Security
Features. Details
on Back.

One Thousand one hundred eighty dollars and 24 Cents

WELLS FARGO
DES MOINES, IA

FOR Credit Card Exp.

R. L. Schick ^{MP}

PRINTED ON RECYCLED PAPER USING VEGETABLE-BASED INKS

rec'd
2/10/10
5:20 P.M.

EXHIBIT

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